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COMMISSION
CLERK

DATE: April 6, 2004
TO: Cochran Keating, Office of the General Counsel
FROM: Wayne R. Makin, Division of Competitive Markets & Enforcement
RE: Document Number 03874-04, Docket No. 04259-GU, Peoples Gas System

040259-GU

WR Makin

Confidential treatment has been requested for portions of the above referenced document by Peoples Gas System. I have reviewed the document on file in the Division of the Commission Clerk and Administrative Services. Results of my review are noted on the Exhibit to the request for confidential treatment (attached).

cc: Beth Salak
Dale Mailhot
Cheryl Bulecza-Banks
Connie Kummer
Division of the Commission Clerk and Administrative Services

- AUS _____
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- CMP _____
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STATE OF FLORIDA

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Public Service Commission
M-E-M-O-R-A-N-D-U-M

Economic Regulation
Division of

04 MAR 25 PM 3:44

Public Service
Commission

DATE: March 25, 2004

TO: OFFICE OF THE GENERAL COUNSEL
X DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT
XX DIVISION OF ECONOMIC REGULATION
 DIVISION OF AUDITING AND SAFETY

FROM: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO(s): 03874-04

DESCRIPTION: Peoples/Watson – (Confidential) Portion of 2nd amended and restated gas transportation agreement with Pasco Cogen, Ltd.

SOURCE: Peoples Gas System

DOCKET NO(S): 040259-GU

The above material was received with a later filing of a request for confidential treatment. Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of the Commission Clerk and Administrative Services, Bureau of Records and Hearing Services, and to the Office of General Counsel.

Please read each of the following and check if applicable.

- The document(s) is (are), in fact, what the utility asserts it (them) to be.
- The utility has provided enough details to perform a reasoned analysis of its request.
- The material has been received incident to an inquiry.
- The material is confidential business information because it includes:
 - (a) Trade secrets;
 - (b) Internal auditing controls and reports of internal auditors;
 - (c) Security measures, systems, or procedures;
 - (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company to contract for services on favorable terms;
 - (e) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities;
 - (f) Tax returns or tax-related information;
 - (g) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.
- The material appears to be confidential in nature and harm to the company or its ratepayers will result from public disclosure.
- The material appears not to be confidential in nature.
- The material is a periodic or recurring filing and each filing contains confidential information.

Response prepared by: W. R. MAKIN CMP

Date: 4/6/04

cc: GCL EXT
 CMP CCA
 ECR AUS
 MMS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of special)
contract with Pasco Cogen, Ltd.,)
by Peoples Gas System)
_____)

Docket No.

Submitted for Filing:
3-24-04

**PEOPLES GAS SYSTEM'S REQUEST
FOR CONFIDENTIAL TREATMENT**

Pursuant to Section 366.093, *Florida Statutes*, Peoples Gas ("Peoples" or the "Company"), submits the following Request for Confidential Treatment of a portion of the Second Amended and Restated Gas Transportation Agreement between Peoples and Pasco Cogen, Ltd. ("Pasco Cogen"), a petition for approval of which is submitted for filing in the above docket concurrently herewith:

1. Attached hereto as Exhibit A is a detailed justification for the requested confidential treatment of the highlighted portions of the Second Amended and Restated Gas Transportation Agreement (the "special contract").
2. The material for which confidential classification is sought is intended to be and is treated as private by both Peoples and Pasco Cogen, and has not been disclosed.
3. Peoples requests that the information for which it seeks confidential classification not be declassified until two months after the expiration of the term of the special contract. The detailed justification for non-disclosure of the highlighted portions of the special contract (see Exhibit A attached hereto) also establishes good cause for the Commission's finding that the protection from disclosure should extend for a period longer than 18 months (see Section 366.093(4), *Florida Statutes*). The time period requested is necessary to protect the competitive information (*i.e.*, the level of the reduced rates at

DOCUMENT NUMBER-DATE

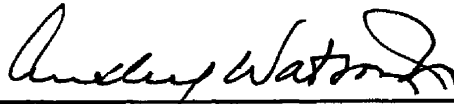
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FPSC-COMMISSION CLERK

which service will be provided to Pasco Cogen under the special contract) from disclosure to Peoples' competitors and to other customers in order to allow Peoples, should it become necessary, to negotiate future gas service arrangements with other customers on favorable terms based on the specific factual circumstances of such customers. The period of time requested will ultimately protect Peoples and its customers by any such future arrangements being entered into based only on the facts and circumstances then applicable.

WHEREFORE, Peoples submits the foregoing as its request for confidential treatment of the information identified in Exhibit A.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
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Tampa, Florida 33601-1531
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Facsimile: (813) 273-4396 or -4397
E-mail: aw@macfar.com
Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Treatment, filed on behalf of Peoples Gas System, has been furnished by regular U.S. Mail to the Office of Public Counsel, 812 Claude Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 23rd day of March, 2004.



Ansley Watson, Jr.

**SECOND AMENDED AND RESTATED
GAS TRANSPORTATION AGREEMENT**

The only information in the special contract for which Peoples seeks specified confidential treatment, and non-disclosure pursuant to Chapter 119, *Florida Statutes*, is highlighted on pages 4 and 5 of the special contract.

This information is the reduced rates at which Peoples will provide gas service to Pasco Cogen under the special contract, the thresholds at which the various rates apply, and other information affecting the level of the rate to be charged. It is information directly relating to Peoples' competitive interests which, if made public, "would impair the competitive business" of Peoples in the event it should become necessary to negotiate similar arrangements with other customers or potential customers in the future. Section 366.093(3)(d), *Florida Statutes*. Disclosure of the specific level of the rate at which Peoples will provide gas service to Pasco Cogen would give other customers or potential customers a benchmark or target toward which to negotiate in dealing with Peoples, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of Pasco Cogen (which prompted Peoples to enter into the special contract for which the Commission's approval is sought in this docket).

Disclosure of this information, which consists of the rates offered by Peoples to Pasco Cogen to ensure that, during the term of the special contract, the customer will burn natural gas at its cogeneration facility, would damage Peoples in its ability to engage in possible future negotiations with this customer on rates and terms of service which are most favorable to Peoples and its ratepayers, and hamper the Company in its ability to negotiate in the future with other customers and potential customers who may be contemplating either the bypass of Peoples' distribution system or switching to a fuel other than natural gas, or never choosing to use the Peoples' distribution system at all. It is reasonably likely that the end result of disclosing this information would be, at best, a reduction in revenues to Peoples and, at worst, a loss of future customers or potential customers to alternative suppliers, including those of an alternate fuel.